MEASIRES taken by the SEBI. Although after 12th Match. 1994. there was a sharp fall in ths volume of turnover in specified aharet for a few days, the turnover has shown signs of increase in the last fortnight Some reduction in the volume of turnover it inevitable on account of reduction in speculative activity. At present. mere to no ban on carry-forward of transactions in specified shares.

(c) Securities and Exchange Board of India (SEBI) has decided on March 9,1994 to allow carryforward facility is the stock exchanges at Bombay. New Delhi Calcutta and Ahmedabad under framework of transparency and effec-tive regulation, provided the stock exchanges satisfy SEBI that they are in a position to imple-fcent the system as proposed by SEBL

MODVAT Credik to big paper sultis

5477. SHRI SHANKAR DAYAL SINGH :
DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether the agro-based paper nulls products are now taxed at 10 per cent;

(b) whether big paper mills using wood pulp are going to get foil MODVAT Credit;

(c) if so, what would be the increased MOD VAT benefit they would get on existing benefits; me details thereof;

(d) whether it is a fact that agro-based mills are now discouraged to use more than 50 per cant of agro-based raw material'

(e) if so, the reasons therefor.

(f) what is the quantum of tax differential, in Quantum and percentage, between agro-besed cauls and wood pulp based mills per tonne; and

(g) whether the reduction of price differential out to reduction of tax differential would harm and liquidate agro-based nulla ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE {SHRI M. V CHANDRASHEKHAR MURTHY): (a) Agro baaed paper {products attract excise duty at 5%, *[(St* or 15% depending, *inter aha,* on the percentage of unconventional raw material used and/ or the quantum of clearances made from a paper factory in a financial year.

(b) and (c) All paper nulla, including big paper mills, manufacturing dutiable products, can get MODVAT of duty paid on the inputs used by mem. After the 1994-95 Budget, they would be entitled to take credit of duty paid on capital goods and petroleum products also. It is not possible to quantify the extra credit which will vary from null to mill.

(d) and (e) At present paper and paper board made from pulp containing 75% or more or unconventional raw materials attract a low rate of 5% ad valorem. A concessional rate of excise duty of 10% or 15% ad valorem is applicable when the use percentage of use of such materials is 50% or more but below 75% Thua, there is an incentive for using .unconventional raw materials

(f) and (g) Paper and paper board produced by wood based nulls are taxed at 20% ad valorem. Paper and paper board made from unconventional raw material (which includes agro based raw materials) based mills are taxed at 15% ad valorem if they use at least 50% pulp made from such materials. However, subject to certain conditions, products of such mills are taxed at 10% ad valorem upto a clearance of 33,000 tonnes in a financial year. Products of unconventional raw material based mills using 75% or more pulp of such materials are taxed at 5% ad valorem. In the Budget it was 10% but now we have reduced to 5% As far as me differential is. quantitative terms is concerned, the ext fcctory prices of paper and paperboards vary, toatr *aba,* with the type and/or quality of paper and paperboard and therefore, the differential will also vary from mill to mill and paper to paper. The present duty differential of 15% or 10% between small paper mills using agro based materials and wood based mills is considered reasonable to protect the interests of the former.

Medjcation of guidelines for iasaiag aoaes share*

, 5478. SHRI SURESH KALMADI: Will the Minister OF FINANCE be pleased to state:

(a) whether it is a fact that the Securities and Bachangr Board of India have recently modi-